

AMERICAN BANK

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JOHN P. SEIDEL
President & CEO
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July 9, 2004

VIA E-MAIL AND U.S. MAIL

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Notice of Proposed Rulemaking
Risk-Based Capital Standards: Trust Preferred Securities and the Definition of Capital
Docket No. R-1193

Dear Ms. Johnson:

I am submitting these comments on behalf of American Bancorporation to address the Board of Governors of the Federal Reserve System's ("Board") proposal concerning trust preferred securities.

American Bancorporation is a \$630 million dollar bank holding company located in St. Paul, Minnesota, which owns 100% of American Bank of St. Paul, a state member bank. Over the past several years, the organization has engaged in a number of acquisitions and has chosen trust preferred securities to support this growth.

Under the rule, the Board is proposing to reduce the amount of trust preferred securities that may be treated as tier 1 capital by excluding goodwill from the core capital elements that are considered when calculating the 25% limitation on trust preferred securities. Banking organizations such as ours will have only until March 31, 2007 to come into compliance with this new limitation.

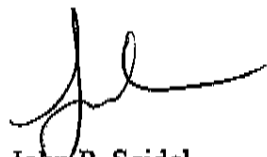
We have determined that our banking organization will, based on the proposal, have trust preferred securities that cannot be treated as either tier 1 or tier 2 capital. This result does not appear appropriate given that our organization, in deciding to incorporate trust preferred securities into our long-range capital plans, relied in good faith on approvals of these transactions by the Federal Reserve.

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We are, therefore, respectfully requesting that you consider a longer transition period, such as five years, commencing the calendar quarter following adoption of a final rule.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read 'John P. Seidel', with a stylized, flowing script.

John P. Seidel
President & CEO

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